

## R E M A R K S

In the Office Action dated December 4, 2002, the Amendment filed on October 16, 2003 was objected to under 35 U.S.C. §132 because the Examiner stated the use of the term "non-monetary" in the claims introduces new matter into the application. Claims 1 and 7 were rejected under §112, second paragraph for the same reason.

Claims 1-4, and 6-22 were rejected under 35 U.S.C. §103(a) as being unpatentable over Abumehdi et al. in view of Walmsley et al.

All of these items were discussed in an interview courteously afforded the undersigned counsel for the Applicants on February 12, 2004. It was agreed at the interview that the term "non-monetary" would be cancelled from the claims and the consumable would be referred to at all locations as a "tangible consumable product" (or, as the case may be, as a "tangible replacement consumable product"). This change has now been made in all of the claims.

Independent claims 1 and 7 have been amended consistent with the discussion at the interview. Claim 1 is a method claim that encompasses steps that are performed both at the device itself (i.e., the device that consumes the tangible consumable product during its operation) and steps that are undertaken at a data center located remote from the device. Independent claim 7 is directed only to the device itself, and therefore does not include claim limitations regarding the evaluation steps that are undertaken at the data center. Accordingly, independent claim 23 has been added which claims a system that operates in a manner generally tracking independent method claim 1.

All of the claims of the application are submitted to be patentable over the teachings of the Abumehdi et al. and Walmsley et al. references, for the following reasons.

The method, device and system disclosed and claimed in the present application are concerned with preventing the use of unallowed (pirated) tangible consumable products. A number of examples of such products are provided in the specification, and set forth in claims 8 through 14. One basis for distinguishing the claims of the present application over the teachings of the Abumehdi et al. system is that the Abumehdi et al. system is concerned exclusively with recrediting a postage machine with postage credit. The postage credit exists solely in electronic form, and thus is not a "tangible consumable product" as set forth in the present claims. Applicants acknowledge that the Examiner has relied on Walmsley et al. reference as teaching a microchip that can be physically attached to a physical product in order to identify that product, however, Applicants submit that even if the Abumehdi et al. reference were modified in accordance with the teachings of Walmsley et al.; a method, device and system as disclosed and claimed in the present application still would not result. Moreover, it is difficult to envision how the teachings of Walmsley et al. could even be applied to the Abumehdi et al. system, since the Abumehdi et al. system deals with a purely electronic item (postage credit) wherein the Walmsley et al. system deals with a physical item. Certainly electronic code words can be associated with the postage credit in electronic form, but even if this were done, Applicants submit a system operating in accordance with the method, device and system disclosed and claimed in the present application still would not result.

In the subject matter of the claims of the present application, the device that consumes the tangible consumable product detects an operation to employ a proposed tangible replacement consumable product in that device. This already differentiates the claims of the present application over the teachings of the Abumehdi et al. reference. This is because in the Abumehdi et al. reference, as is conventional for postage recrediting, the postage meter recognizes that it is low on funds, and either displays a prompt for establishing communication with a remote data center for a recrediting procedure, or automatically establishes such a communication. A request for credit is then sent from the postage meter to the data center, and this request will include an identification number for the postage meter, which is evaluated at the data center. If the evaluation of the identification number at the data center indicates that the postage meter is authorized, the requested credit is then transferred from the data center to the postage meter, possibly with an encrypted code word or message appended thereto.

Therefore, in the Abumehdi et al. systems, and other well-known systems operating in this manner, it is only a request for recrediting that is initially transmitted from the device to the remote data center. There is no proposed tangible consumable replacement product that is detected at the device. Even if the consumable product is considered to be postage credit, there is no "proposed" postage credit which is "detected" at the device, since there is no credit supplied to the device unless and until the authorization procedure has already been completed. In other words, in the subject matter disclosed and claimed in the present application, it is the attempt to insert a proposed tangible replacement consumable in the device that triggers an authorization procedure.

In the authorization procedure of the present invention, for the tangible replacement consumable product in question, the data center stores a code word that has a predetermined relationship to a reference word. The proposed tangible replacement consumable has an identification number that is transmitted to the data center from the device upon detection of the attempt to employ the proposed replacement tangible consumable product in the device. The data center analyzes this transmitted identification number to determine whether it embodies a code word that has the same relationship as the code word that is stored at the data center. Independent claim 1 has been amended to make clear that there is no replacement consumable product that is actually present at the data center. The code word in question is electronically allocated to an electronic representation of the tangible consumable product. This again serves as another point of differentiation over the teachings of Abumehdi et al., since if the postage recredit is considered to correspond to the consumable product, the postage credit is actually stored at the data center.

The Abumehdi et al. system, therefore, operates in manner opposite to the method, device and system disclosed and claimed in the present application. In the Abumehdi et al. reference, the consumable in question (postage credit) is stored at the data center, and is transferred from the data center to the device if the request from the device satisfies certain conditions indicating that the device is authorized for the recreditting.

By contrast, in the method, device and system disclosed and claimed in the present application, the replacement consumable product is *already present* at the device, and its presence is detected at the device. The only procedure implemented

between the device and the data center is for the device to receive from the data center an indication as to whether the proposed replacement consumable product is authentic.

All claims of the application are therefore submitted to be in condition for allowance, and early reconsideration of the application is respectfully requested.

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